

City of West Lafayette, Indiana  
Board of Public Works and Safety  
MINUTES

APRIL 7, 2015

8:30 a.m.

Morton Community Center  
Multi-Purpose Room

Members present were Sana G. Booker, Brooke E. Folkers, and Tanuja R. Sheth. Jonathan C. Speaker was absent. Mayor Dennis presided.

1. APPROVAL OF MINUTES

a. March 31, 2015, Meeting

Ms. Booker moved to accept the minutes of the March 31, 2015, Board of Works meeting. Ms. Sheth seconded the motion

The motion was adopted.

2. NEW BUSINESS

a. Agreement and Quote Acceptance: 2015 Spring Operation Releaf – Custom Cuts Lawn Care, Inc. – Development

Director of Development Poole requested approval with Custom Cuts Lawn Care, Inc. for the 2015 Spring Operation Releaf project in the amount of \$26,743.00.

Ms. Folkers moved that the 2015 Spring Operation Releaf agreement be approved. Ms. Sheth seconded the motion.

In response to a question from Ms. Booker, Director Poole stated that complete and full payment is after the project is complete and we ensure that the work is done to our standards.

The motion was adopted.

b. Agreement: RemitPlus Software License and Equipment – ProfitStars – Clerk-Treasurer

Clerk-Treasurer Rhodes explained that this software is to provide internal lockbox capabilities for the Utility billing office. She stated that it will significantly speed up processing mail, including checks that we need to upload into our system, to automate the process with our banks and the accounting system. She stated that we expect to go live with the Utility billing in June, and this component is important in reducing the labor involved with handling the billing. The software licenses total \$10,150.00, and there is \$3,460.00 of equipment, for a total of \$13,610.00. Clerk-Treasurer Rhodes stated that we expect installation charges, which includes travel expenses for an installer, of approximately \$1,500.00. She stated that we do have funds set aside in the project budget for this component. She requested approval of the agreement and equipment purchase.

Ms. Booker moved that the RemitPlus software license and equipment agreement be approved. Ms. Sheth seconded the motion.

The motion was adopted.

c. Escrow Agreement: West Lafayette Lift Station and Force Main (Sheraton and Fairway Knolls Lift Station Improvements) – Bowen Engineering Corporation – WWTU

WWTU Director Henderson requested approval of an escrow agreement with Bowen Engineering Corporation, explaining that the function of the agreement is to provide a place to put retainage money that we hold back from payment to the contractor until the work is completed to our satisfaction. He stated that the lift station construction should begin later this month. He explained that this should be in place so that once construction starts we can process pay applications.

Ms. Folkers moved that the escrow agreement with Bowen Engineering be approved. Ms. Sheth seconded the motion.

The motion was adopted.

d. 2014 Annual Financial Report – O.W. Krohn and Associates, LLP -- WWTU

Mayor Dennis stated that this report would be presented by Jim Treat (O.W. Krohn & Associates).

Mr. Treat stated that he will be going through the 2014 results for the Utility and then the proposed 2015 budget. He stated that because of the circumstances with the transition to the new software and financial reporting, which has been a challenge for the last year, these two items have come together, but we are ready to move forward. He stated that there has been a tremendous effort within the departments to make this transition and develop this software to come up with a fantastic financial reporting product for the City. He recognized the efforts of Clerk-Treasurer Rhodes in that transition, stating that he does not know that there is any Clerk-Treasurer he has worked with in Indiana that would have put forth so much effort and time to make this happen. He stated that we are now ready to produce regular reports now that we have year-end and the budget together. One approved, the budget will be uploaded to the new system and will be ready to produce regular monthly reports. Mr. Treat began to review the 2014 Annual Report document. On the Statement of Net Position he noted that at the end of 2014 the Utility had approximately \$12.5 million in cash and investments, and \$76 million in capital assets, which are the infrastructure assets. He described some of the changes from the prior year. He stated that increases in current assets are largely due to stormwater cash and receivables as 2014 was the first year that stormwater charges were billed. The restricted assets increases are mostly represented by unspent construction funds for the 2014 open market bonds. The biggest change in capital assets are the dollars accumulated in construction in progress, including the Cumberland Avenue Sewer Extension project and the North Side Regional Lift Station project. He stated that on the liability side of the balance sheet, the meat of it is the bonds that are outstanding. He stated that there were three new bonds issued in 2014 and explained details of each one. Mr. Treat moved to the income statement, or the Statement of Revenues, Expenditures, and Changes in Net Position. He explained that this would typically show comparative financial statements, but because of the number of changes that were made in the detail and how the ledger was setup, and how the departments are now being put together, the numbers are no longer comparable. He stated that in total the operating revenues for the Utility increased by approximately \$930,000. He stated that most of that is attributable to the new stormwater fees, which totaled approximately \$1.2 million. He noted that the wastewater user fees went down

approximately \$390,000 from 2013 to 2014, and the biggest portion of that is related to Purdue billings. He explained that those billings have trended down due to specific conservation efforts that the University is making in refitting buildings and changing how they do things to save water. He explained that billings for sewer are based upon readings for water so that has a downward impact on the sewer billings. He stated that Purdue is approximately 40% of the Utility's revenue. He stated that this is something that we will keep an eye on very closely and look at how that trend is going to go forward in the future. He stated that overall the revenues were up, but the operating expenses were also up. He reviewed some of the actual numbers compared to what was budgeted, noting that most items that went over budget were mostly related to the setup of the stormwater billing system and then how to handle and process those bills. There were also costs related to the new software which were expensed as an operating expense. Some of those costs will be recurring, but many of them, including time O.W. Krohn & Associates spent helping to convert and upload files and create ongoing financial statements that the system will produce, are done, and will not be ongoing. Discussing a bar chart showing a comparison to a number of communities that are nearby or are of comparable size to the City's Utility, Mr. Treat noted that the City has one of those lowest monthly rates for sewer bills at approximately \$28.00 per month for 5,000 gallons. Only two other utilities have had the same rates in place for longer than West Lafayette without a change. Mr. Treat noted on the Comparison of Budgeted and Actual Revenues sheet that even with all of the changes in 2014 the numbers matched up well, and in the near term it is expected that revenues will be higher than revenue requirements. He noted that the bond coverage ratio is 158%, which is above the minimum requirement of 125%. Mr. Treat noted that this item does not need any action, but the 2015 proposed budget will need to be accepted.

Mayor Dennis expressed appreciation to Mr. Treat, and to Clerk-Treasurer Rhodes and her staff, for the work done on the new financial software.

e. 2015 Proposed Budget – O.W. Krohn and Associates, LLP -- WWTU

Mr. Treat began by discussing Schedule I. This shows what was budgeted by department for 2014 and what is proposed for 2015. He stated that the budget for 2014 was roughly \$5.1 million and the proposed budget for 2015 is \$5,361,951. He stated that is approximately a 4.3% increase, and he reviewed some changes by department. He noted that the revenue budget shows that the operating budget for sewer fee revenue has decreased due to the change in Purdue billings. He explained that along with the changes to current Purdue buildings, there are a lot of construction projects as well, so there will be new flows to offset this decrease in the future. He stated that the projected numbers through 2018 are conservative to reflect what we know today. Mr. Treat stated that most of the items on the Capital Expenditure Plan are projects that started in the past and are wrapping up in 2015, and most of the projects were funded by bonds. He stated that the next big thing to look ahead to is a long-term control plan project, which is to tighten up flows into our collection system. There are costs in 2016-2018 to design that interceptor and begin that project. There will also likely be a Phase II for the phosphorus removal project after we learn more information, such as what levels the State requires for the new permit. Discussing the Projected Cash Flows and Bond Coverage sheet, Mr. Treat stated that the total pledged revenues, which is near \$5 million, is the number that we work with to fund the capital plan, pay debt payments, and make the Payment in Lieu of Taxes payment to the City. He stated that as we get into the projects over the next few years there is going to be more stress on the cash balances, and the costs will need to be better defined and think about how they will be funded in the long-term. Mr. Treat stated that the Utility is sound right now.

Mayor Dennis stated that it would be unrealistic to make the presumption that things will stay as they are right now. He stated that every year when we go through this process, the realization is that the Utility does not run for free. There are certain financial requirements we must perform, and then the requirements we must abide by as things change with State and Federal become more expensive for us. He stated that the bar is getting raised every year.

Director Henderson stated that our current permit expires at the beginning of 2016, so later this year he will be applying for a renewed permit, which is part of the phosphorus projects. He explained that the current project will get us to our current limit, but we do not know what will show up in the next permit cycle. It may stay the same or it may change, so we are keeping an eye on regulations.

Ms. Booker thanked Mr. Treat and Clerk-Treasurer Rhodes.

Director Henderson stated that the work done to refinance the bonds, and looking at opportunities for the Utility to save money, is very helpful. He stated that the work done in the new software system will make budgeting a much simpler task in the future.

Ms. Booker moved that the 2015 proposed WWTU budget be approved. Ms. Sheth seconded the motion.

The motion was adopted.

f. Grant of Easement: Greenway and Utility Easement – Purdue University – Engineering

Public Works Director Buck requested approval for a grant of easement, explaining that Purdue University has offered to grant a greenway and utility easement for a piece of trail and sewer access that was constructed as part of the Western Interceptor along the US 231 corridor at the northwest corner of Airport West. He stated that the trail exists now and this easement is legitimizing that for the future.

Ms. Booker moved that the grant of easement be approved. Ms. Folkers seconded the motion.

The motion was adopted.

g. Contract: INDOT/LPA Project Coordination – Bike/Pedestrian Facilities – Sagamore Parkway Trail Project – Engineering

Director Buck requested approval of a contract with INDOT which has been programmed in our five-year program with our Metropolitan Planning Organization. He explained that it is for a piece of trail that is to be constructed along Sagamore Parkway from the top of the hill near the bridge for Soldiers Home Road down to the new bridge that INDOT is currently heading toward construction on for eastbound traffic over the Wabash River. He stated that for the project, INDOT is incorporating a trail on the bridge itself, and both the Cities of Lafayette and West Lafayette have agreed to connect that trail to existing facilities from that bridge. On the West Lafayette side it will connect to future trails that we will be building with the Happy Hollow Road project, as well as future trails with Soldiers Home Road. The federal amount programmed is \$209,438.00, for construction only. He stated that the project will go to construction fiscal year 2018.

Ms. Sheth moved that the Sagamore Parkway Trail Project INDOT/LPA contract be approved. Ms. Folkers seconded the motion.

The motion was adopted.

h. Claims

i. AP Docket	\$440,219.69
ii. PR Docket	\$523,591.81
iii. PR Docket	\$114,970.56
iv. PR Docket	\$193,071.98

Ms. Booker moved that the claims be approved. Ms. Sheth seconded the motion.

There were no questions or comments about the claims.

The motion was adopted.

i. Informational Items

i. Legal Budget & Expenses – Clerk-Treasurer

There were no questions or comments about the listing.

ii. Park Board Dockets

There were no questions or comments about the listing.

j. Other Items

► Engineering Assistant Garrison provided project updates. He stated that the waterline work on Cumberland Avenue is wrapping up, and the Salisbury Street project is flowing well. He stated that work is currently being done on the Ravinia Sidewalk project to connect Forest Hill Drive to Leslie Avenue.

► Police Chief Dombkowski reported that D.A.R.E. graduation is this evening at Happy Hollow School. He stated that this is a big program that he believes pays a lot of dividends to our community. He noted that there have been several instances of high school kids with issues finding D.A.R.E. Officer Winslow, and we have helped a lot of kids through that program later on in life. He confirmed for Mayor Dennis that this is one of our largest graduating classes.

► Parks Superintendent Fawley thanked the Fire Department for burning the grasses at the Celery Bog, which is done every few years for new vegetation. She reported that the parks are officially open for business with running water to the drinking fountains and restrooms.

3. **ADJOURNMENT**

There being no further business to come before the Board, Ms. Booker moved that the meeting be adjourned, and Mayor Dennis adjourned the meeting.